

Message Text

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INFO AMCONSUL AUCKLAND

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USMISSION GENEVA

AMEMBASSY KUALA LUMPUR

AMCONSUL MELBOURNE

AMEMBASSY PARIS

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DA NANG

AMCONSUL NHA TRANG

CONFIDENTIAL SAIGON 4469

E.O. 11652: GDS

TAGS: ELAB, VS

SUBJECT: ECONOMIC AND SOCIAL DEFICIENCIES CHALLENGED BY CVT

REF: A) SAIGON 3473 (NOTAL) B) SAIGON 4083

1. CVT PRESIDENT TRAN QUOC BUU TOLD LABATT THAT AT A RECENT MEETING OF THE CVT CENTRAL BUREAU THERE WAS ADOPTED A RESOLUTION CONCERNING THE ECONOMIC AND SOCIAL PLIGHT OF SOUTH VIET-NAM. HE SAID THAT AFTER HEARING REPORTS FROM LOCAL UNIONS AND AFTER DISCUSSION, THE CVT CENTRAL BUREAU ADOPTED THE RESOLUTION SUMMARIZED BELOW.

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"WHEREAS: THE ECONOMY IS HEAVILY DEPENDENT UPON FOREIGN AID AND IS PRESENTLY ENTERNG A DARK AND STALEMATED SITUATION; THE CONTINUOUS DEVALUATION OF THE PIASTER, ADDED TO THE EXPANDING BURDEN OF THE NATIONAL BUDGET IS CAUSING GALLOPING INFLATION; THE FLOATING PRICE POLICY COMBINED WITH THE UNBALANCED ECONOMIC SITUATION CREATES OPPORTUNITIES FOR SPECULATION AND BLACK MARKETS; PRODUCTION IS HAMPERED BY SHORTAGES OF FUEL AND RAW MATERIALS AND DECREASED PURCHASING POWER; THE SUPPLY SYSTEM THAT GIVES FIRST CONCERN TO PUBLIC SERVANTS AND THE MILITARY IS OPERATING INEFFICIENTLY FORCING PUBLIC SERVANTS AND CIVILIAN WORKERS TO BE EXPLOITEDBY CAPITALISTS, BLACK MARKETEERS AND PROFITEERS; ALTHOUGH THE PEOPLE STRONGLY CONDEMN CORRUPTION, INEFFICIENCY, SPECULATION, CONTRABAND, TAX EVASION, THESE EVILS PREVAIL THROUGHOUT THE COUNTRY.

"THE ABOVE-SAID PLAGUES ON SOCIETY HAVE PLACED OUR PEOPLE IN A PITIFUL STATE OF UNPRECEDENTED UNEMPLOYEMNT, POVERTY AND STARVATION. WE THEREFORE CALL UPON THE GVN:

1. TO PREVENT A RISE OF PRICES AT LEAST FOR APERIOD OF SIX MONTH.

2. TO PROHIBIT LAYOFFS IN ENTERPRISES.

3. TO REVISE COMPLETELY THE ACTUAL POLICY AND SYSTEM OF ECONOMY, FINANCE, SOCIAL WELFARE, WITH THE PARTICIPATION OF THE PEOPLE'S ORGANIZATIONS, PRINCIPALLY THE TRADE UNIONS, IN ORDER TO RESTORE THE NATIONAL VITALITY FOR NATIONAL DEVELOPMENT FOLLOWING THE PRINCIPLE OF REVOLUTIONARY COMMUNITY LIFE.

4. TO ERADICATE CORRUPTION AND INJUSTICE FROM THEIR SOURCES, TO CONFISCATE THE ILLEGAL PROPERTIES ACQUIRED BY CORRUPTION, SPECULATION, CONTRABAND, TAX-EVASION, FOR THE PROFIT OF THE NATIONAL BUDGET.

"5. TO MAKE A PURGE AND TO DISCARD ALL BAD ELEMENTS HOLDING IMPORTANT POSITIONS IN ORDER TO RESTORE THE CONFIDENCE OF THE PEOPLE TOWARDS THE GOVERNMENT."

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2. BUU SAID THAT HE DELIVERED THE RESOLUTION TO THE PRIME MINISTER, WHO, HE ALLEGES, AGREED WITH ITS MEANING. THE NEXT DAY, MARCH 28, BUU WAS SUMMONED TO A MEETING WITH THE MINISTER OF FINANCE FOR A DISCUSSION OF THE ECONOMIC PROBLEMS THE RESOLUTION ADDRESSED. THEY SOON AGREED THAT ANOTHER MEETING WAS NECESSARY AND THAT THE MEETING SHOULD BE EXPANDED TO INCLUDE OTHER MINISTERS WHO HAVE RESPONSIBILITIES FOR THE ECONOMIC

DEVELOPMENT OF VIET-NAM. THE DATE FOR THE NEXT MEETING HAS NOT YET BEEN SET.

3. AS A COMPANION TO THE RESOLUTION ON THE ECONOMIC DEVELOPMENT OF SOUTH VIET-NAM, THE CVT BUREAU CREATED A PROGRAM OF THREE-DAY SEMINARS TO BE CONDUCTED BY HEADQUARTERS CADRE IN EACH OF THE 36 PROVINCES, COVERING ALL MILITARY REGIONS, WHERE GVT BRANCHES EXIST. BEGINNING APRIL 1 AND CONTINUING THROUGH MAY 18, THREE TWO-MAN GROUPS WILL SPEND THREE DAYS IN EACH OF THE 36 PROVINCES ACCORDING TO A PRE-DETERMINED SCHEDULE. IN ADDITION TO ROUTINE TRADE UNION BUSINESS THEY WILL PRESENT THE CVT RESOLUTION ON THE VIETNAMESE ECONOMIC AND SOCIAL PROBLEMS.

4. WHEN BUU WAS ASKED WHAT HE HOPED TO ACCOMPLISH BY SUCH A PROGRAM, HE SAID, "AT LEAST OUR PEOPLE WILL KNOW WE ARE TRYING TO DO SOMETHING ABOUT THEIR PROBLEMS." WHEN ASKED WHAT WILL HAPPEN IF THE GVN DOES NOT RESPOND TO CVT'S WISHES, BUU REPLIED, "WE WILL HAVE TO WAIT AND SEE." PRESSED FURTHER, BUU SAID THE GVN WOULD HAVE TO PAY ATTENTION IF THE PEOPLE WERE IN THE STREETS. HE RECALLED THAT IN 1964 CVT DECLARED A GENERAL STRIKE THAT BROUGHT SAIGON TO A HALT AND FORCED THE GOVERNMENT OF GENERAL KHANH TO CHANGE ITS POLICY TOWARD UNIONS. WHEN REMINDED THAT THE PRESENT GVN COULD BE EXPECTED TO ANTICIPATE TROUBLES OF THIS KIND IF THE PEOPLE WERE AROUSED BY CVT AND THAT IT WOULD BE REASONABLE TO ASSUME THAT SINCE THE GVN HAS NOT FORBIDDEN CVT'S PROVINCIAL MEETINGS THEY MUST TACITLY APPROVE WHAT CVT INTEND DOING, BUU BROKE INTO A BROAD, KNOWING GRIN AND SAID, "WE'LL SEE."

5. WHEN REMINDED THAT THE REFERENCES TO FOREIGN AID AND DEVALUATION OF THE PIASTER COULD BE DISTORTED BY HIS CADRE, WHO DON'T UNDERSTAND ECONOMICS WELL ENOUGH TO EXPLAIN THE MEANING OF THESE POINTS, AND COULD ADVERSELY AFFECT THE DELICATE DEBATE ABOUT U.S. ASSISTANCE TO VIET-NAM, BUU, AFTER A FEW MOMENTS

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OF CONTEMPLATION, SAID HE WOULD CAREFULLY INSTRUCT HIS CADRE HOW TO CONDUCT THEMSELVES.

6. IN A MEETING APRIL 5 WITH THE AMBASSADOR, BUU SAID THAT HE CONSIDERS BOTH THE RESOLUTION AND THE VISITS BY THE CADRE OF THE CENTRAL BUREAU TO PROVINCIAL CVT HEADQUARTERS AS IMPORTANT WEAPONS FOR HIM TO CARRY WITH HIM ON HIS FORTHCOMING TRAVELS AROUND THE WORLD (REF B).

7. COMMENT: BUU EXUDES CONFIDENCE; HE SEEMS TO ENJOY THINKING ABOUT THE PROSPECTS OF CVT'S LATEST EFFORT TO ARTICULATE THE NEEDS OF THE PEOPLE OF VIET-NAM. HAVING WON A VICTORY FOR THE FISHERMEN AND THEIR DEMAND FOR A REDUCTION OF THE PRICE OF DIESEL OIL (REF A), BUU CAN BE EXPECTED TO FEEL A NEW SENSE OF POWER. HE OBVIOUSLY DEMONSTRATED TO THE GVN THROUGH THE

FISHERMEN'S STRIKE THAT MASS ACTION DID NOT SERIOUSLY THREATEN
THE GVN--IN FACT, IT TENDS TO SERVE AS A RELIEF VALVE. BUU MUST
HAVE SATISFIED THE PRIMIN THAT THE REAL INTENT OF THE CVT
RESOLUTION ON ECONOMICS WAS ANOTHER BROADER BASED RELIEF VALVE
FOR A LARGER SEGMENT OF SOCIETY. RELIEF VALVES CAN BE SAID--
TO BE OF VALUE IF SOMETHING HAPPENS AS A RESULT OF THE ACTION--
SUCH AS THE REDUCTION IN THE PRICE OF FUEL FOR THE FISHERMEN.
THE FACT THAT THE GVN WOULD AND, IN FACT, DID CONSIDER CVT'S
PLEA ON BEHALF OF THE FISHERMEN MUST BY ITSELF BE CON
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